THE MYSORE INDUSTRIAL AND TESTING LABORATORY, LIMITED, MALLESWARAM, BANGALORE-3.

Memorandum of Settlement under Section 2(p) of the Industrial Disputes Act, 1947, read with Section 18(1)

Names of Parties

Representing employees—

Employees of Mysore Industrial and Testing Laboratory, Ltd., represented by:

1. I.T.L. Employee's Association, represented by:
   (i) Sri Allampalli Venkataram, Secretary.
   (ii) Sri K. Govindappa, President.
   (iii) Sri Puttaswamy, Vice-President.

Representing Employer—

The Management of Mysore Industrial and Testing Laboratory, Limited, Malleswaram, Bangalore-3, represented by:

(i) Sri P. V. V. Krishnan, Project Administrator.
(ii) Sri K. R. Sreenivasan, Secretary.
(iii) Sri E. M. Raju, Personnel Officer.

Short Recital of the Case

The I.T.L. Employees' Association, representing the Workmen of the Mysore Industrial and Testing Laboratory, Ltd., Malleswaram, Bangalore-3, issued a Charter of Demands by the letter No. 33—MT—67-68, dated 4th May 1967 of the Secretary of the Association. The demands related to revision of basic wages/salaries, conversion of daily rated employees to monthly rated employees, enhancement of leave benefits, fixation of posts, weightage, allowances to certain categories of employees, revision of gratuity scheme and withdrawal of punishment imposed on certain employees by way of disciplinary action etc. The question of dearness employees payable to the

different categories of employees was already settled between the parties to the effect that whenever the Government of Mysore sanctions increases in dearness allowance to its employees of Government Industrial concerns, the same benefit would be extended to the employees of the Mysore Industrial and Testing Laboratory Ltd., also and this settlement has been incorporated in the Award of the Industrial Tribunal in I.D. No. 39 of 1965. The demands covered by the Charter of Demands dated 4th May 1967 were directly discussed between the parties and since the matter could not be settled, the entire dispute was taken up in conciliation by the Deputy Labour Commissioner and Conciliation Officer, Bangalore-1. In the course of conciliation only a few minor demands could be settled. The parties agreed, therefore, that the demands not settled except the demand relating to the revision of gratuity should be referred for adjudication under Section 10(2) of the Industrial Disputes Act. The disputes so referred to the Additional Industrial Tribunal, Bangalore has been registered as AID No. 27—1968.

The demand for the revision of Gratuity Scheme was directly discussed between the parties and since this dispute also could not be settled, the same was referred by the Government to the Additional Industrial Tribunal, Bangalore and has been registered as A.I.D. 9 of 1969. A separate demand for bonus for the year 1966-67 at a higher rate than the rate of 8.33 per cent paid by the Management was referred to the Additional Industrial Tribunal and registered as A.I.D. 16—1968. The Management filed a Writ petition before the Hon'ble High Court of Mysore to quash the Award of the Additional Industrial Tribunal in this Bonus Dispute. The demand for higher rate of bonus for the year 1967-68 has been referred to the Additional Industrial Tribunal and registered as A.I.D. 21—1969. Proceedings in A.I.D. 27—68, A.I.D. 9—69 and A.I.D. 21—1969 are still pending.

In the meanwhile, M/s. Indian Detonators Limited, Hyderabad, acquired controlling interest in the Mysore Industrial and Testing Laboratory, Limited. The new Management has schemes for expansion of this factory, leading to further avenues of employment and betterment in the position of the employees. However, the position of the Pharmaceutical Industry in India has become rather uncertain in view of the restrictions imposed by the Government of India on prices of

drugs. There was frank discussion of the position between the representatives of the Management and the Association. In the interests of industrial peace and in order to give time to the new Management to study the possibilities of improvement of the factory, the parties agreed that there should be a settlement for a limited period of two years, after which the parties can have further discussion and finalise the wage structure and other service conditions of the employees. After thorough discussion and consideration of all aspects the following Settlement was arrived at this 11th day of December 1970 in full and final settlement of all the matters covered in the references Nos. 27—68, 9—69 and 21—69 pending before the Additional Industrial Tribunal and Writ Petition No. 6632 of 1969 pending before the Hon'ble High Court of Mysore.

I. *Terms of Settlement*

It is agreed that this settlement shall be applicable to all workers/employees whose dispute has been referred for Adjudication in references Nos. 27—69, 9—69 and A.I.D. 21—69 before the Hon'ble Additional Industrial Tribunal, Bangalore.

II. *Scales of Pay, Dearness Allowance, House Rent Allowance and City Compensatory Allowance.*

It is agreed that the present scales of pay and the present scheme of Dearness Allowance, House Rent Allowance and City Compensatory Allowance, payable to the employees as provided in the Award of the Hon'ble Industrial Tribunal in I.D. No. 39—65 will remain unaltered during the period of this settlement.

III. It is agreed that employees who are on the rolls of the concern as on 1st December 1970 shall be paid Rs. 30—00 (Rupees Thirty) per month as an "ALL PURPOSE ALLOWANCE".

(i) The All Purpose Allowance of Rs. 30 per month shall qualify for the contribution of Provident Fund, E.S.I., Payment of Overtime, Leave with wages and Bonus only but not for any other purpose.

Explanation.—This All Purpose Allowance will not count for calculating compensation for extra leave

and holidays agreed to be foregone by employees as per clauses V and VI of this Settlement.

(ii) In order to provide adequate and fair compensation for the past by way of arrears, the Management agree with the union to pay all those employees covered by this Settlement a lumpsum amount of Rs. 400 (Rs. Four hundred only) who are on the rolls as on 1st December 1970 provided that they have put in atleast 13 months service prior 1st December 1970.

Explanation.—Employees who have put in less than 13 months service will be given compensatory arrears at the rate of 30 per month. Employees who have left the service of the Company after 1st November 1969 will get arrears at the rate of Rs. 30 per month up to the date of their retirement.

IV. *Leave Facilities*

It is agreed that in order to bring about uniform leave facilities available to all employees covered by this settlement it has been agreed that the following leave facilities will be made available from 1st January 1971.

(i) *Privilege Leave*.—Privilege or Annual Leave with wages shall be at the rate of 1 day for 20 days work performed in accordance with the provisions of Section 79 of the Indian Factories Act, 1948. Leave in excess of 30 days at the credit of any employee will be surrendered at the end of the year 1970 and the leave so surrendered will be paid for; It is further agreed that only basic wages/pay, dearness allowance, H.R.A. and C.C.A. will be taken into account for purposes of this calculation.

(ii) *Sick Leave*.—(a) Sick leave will be as per provisions of E.S.I. Act and Scheme thereunder.

(b) All other employees who are not covered by the E.S.I. Scheme will be allowed 15 days sick leave on completion of one year's service (12 calendar months from 1st of January) to be availed in the subsequent year. Employees who join in the middle of the year will be entitled to sick leave at

the rate of one day for each completed month of service. This sick leave could be accumulated to the maximum of 30 days.

(iii) *Casual Leave*.—The employees covered by this Settlement will be granted a maximum of seven days casual leave with wages (including D.A., H.R.A. and C.C.A.) during the calendar year. However, this casual leave cannot be availed of for more than three days at a time exclusive of all holidays whether occuring during or either end of the period of leave.

Any employee joining in the middle of the year will be given proportionate leave at the rate of half-a-day for each month of service put in.

Any casual leave not availed of will lapse at the end of the calendar year.

(iv) The casual leave cannot be combined with any other leave excepting what has been provided in sub-clause (iii).

(v) If a person exhausts his sick leave and continues to be sick, his further absence due to sickness will be adjusted against privilege leave, if any, at his credit, if so requested by him.

(vi) Excepting the above mentioned leave facilities there will not be any other leave available with wages for the employees. However, at the discretion of the Management leave without pay may be allowed provided the Management are satisfied of the reasons for such leave without pay.

V. *Compensation for Additional leave facilities forgone*

(i) Furlough leave at the credit of employees as on 31st December 1970 will be permitted to be availed within a period of four years from 1st January 1971.

(ii) No furlough leave will be earned by any employee in respect of service after 1st January 1971.

(iii) Such of those employees who have not put in qualifying years of service for eligibility of furlough leave will be.

credited the proportionate furlough leave at the rate of 12½ days per year or in proportion thereof up to 31st December 1970.

(iv) In consideration of the employees having agreed to limit the extent of leave which will be available under different heads from 1st January 1971 and having agreed to forego all paid leave in excess of the above, it is agreed that the Management will pay lumpsum compensation to the employees as follows—

(*a*) Every monthly rated employee in rolls as on 1st December 1970 will be paid a lumpsum amount equivalent to his one hundred and sixteen days salary. Salary for this purposes will include basic pay D.A., H.R.A. and C.C.A. only and not any other allowance or payment.

(*b*) Every daily rated employee in rolls as on 1st December 1970 will be paid a lumpsum amount equivalent to Ten days wages . Wages for this purpose will include basic wages, D.A., H.R.A. and C.C.A. only and not any other allowance or payment.

Explanation :—(1) The above does not apply to National and Festival Holidays in respect of which separate provision has been made in this Settlement.

(2) The above will also not apply to employees who opted for voluntary retirement scheme formulated by the Management and retired from the services.

VI. *National and Festival Holidays*

(1) It is agreed that from 1st January 1971, all employees will get 10 paid holidays in a calendar year as National and Festival Holidays. The Republic Day (26th January), the Independence Day (15th August) will always be included among the above 10 paid holidays. The remaining eight paid holidays will be fixed and notified in accordance with the provisions of the Industrial Establishment (National and Festival Holidays) Act 1963.

If any of the above 10 days falls on the weekly holiday, all employees will be entitled to a day's wages/pay for that day.

(2) It is agreed that in consideration of the different categories of employees agreeing to the extent of National and Festival Holidays as above and foregoing any holidays in excess of the above, the Management will pay the respective employees lumpsum compensation as under—

(i) *Male employees*

(*a*) Daily rated—20 (Twenty) days wages.

(*b*) Monthly rated—16 (Sixteen) days wages.

(ii) *Female Employees*

(*a*) Daily rated—27½ (Twenty-seven and half) days. wages.

(b) Monthly rated—22 (Twenty-two) days wages.

VII. *Uniforms*

The Management and the Union agree that the provision of Uniforms in the existing form and practice would be discontinued and follow the standard practice available in the pharmaceutical industries.

It has been agreed that the employees shall wear the uniforms supplied and be at the work spot at the appointed time and also leave the work-spot only on completion of period of work. This means the change into their uniforms and back to civil clothes, will be effected by the employees before and after the beginning and at the end of hours of work prescribed respectively in the Change Room specifically provided for. It shall be the responsibility of the employees to deposit the uniforms in the lockers before they leave premises and hand them over periodically for washing to the Company appointed agents.

VIII. *Wage Period and Pay Day*

The Management and the Union agree to adopt the uniform wage period beginning from 1st of month to the last day of the month and pay the salaries and the wages due together with the allowances on 7th of subsequent month.

IX. *Overtime Allowances*

It has been agreed upon between the parties that all allowances paid to any of the employee in lieu of overtime shall

be withdrawn from the date of settlement. All those employees that are required to work overtime over and above the fixed hours shall be paid wages/salaries strictly in accordance with the provisions of Factories Act. However, for any work done by the employees on holidays and sundays, they could be given a compensatory off as per provisions of the Factories Act.

X. *Lunch Allowance*

Any employee who is required to go out of the factory on any day on company work and is unable to return to the factory during his lunch interval will be paid a lunch allowance of Rs. 1—50 (Rupees one and paise fifty) for such day.

XI. *Other Allowance and Advances*

It is agreed that Typing allowance, Milk allowance, Festival advances and Cycle advance now available to the employees will continue as usual.

XII. *Permission to leave the Factory*

Permission to leave the factory during working hours will be granted only in cases of emergencies if the Officer empowered to grant the same is satisfied about the genuinenes of the emergency. A pass out will be issued marking the necessary particulars.

It has been agreed that no employee will be allowed any permission for less than two hours. If any permission is sought to leave the factory for reasons of emergency exceeding two hours, such permission granted will be accumulated and deducted as half-a-day leave if it is four hours and one day casual leave if it is eight hours, subject to the eligibility of casual leave. The computation will be done once in a quarter to determine the casual leave adjustment against the permission. If no casual leave is available, it will then be treated as on loss of pay; wages/salaries will be deducted accordingly. It, however, does not confer any right to seek permission as a matter of course and right by the employees.

XIII. *Increment period*

It has been agreed between the Management and the Union that in future all increments will be due, if eligible, on the 1st of

January each year. For the purpose of calculating the increments for the period ending 31st December 1970, all those employees who have drawn their increments before 30th June 1970 will be given an increment from 1st January 1971. All those employees who have drawn increments from 1st July 1970 to 31st December 1970 will not be eligible for increment on 1st January 1971 but will qualify for increment on 1st January 1972.

In view of the change in the increment period, the existing practice of postponing the increment on account of the leave availed of by the employees without wages or on account of absence from duty will be discontinued.

XIV. *Gratuity*

It is agreed that the gratuity scheme now existing as also the Settlement dated 28th September 1966 (regarding age of retirement) between the parties will be replaced by the Gratuity Scheme appended to this Settlement as ANNEXURE-I.

XV. *Age of Retirement*

(i) It is agreed between the parties that a workman/employee shall be required to vacate his employment on his attaining 58 years to be notified by the employer provided that the employer at his discretion may re-employ the superannuated workman/employee or grant him extension of service if the employer considers the same necessary in the Company's interest subject to the workman/employee being found medically suitable by the Company's Medical Officer for re-employment or for grant of extension of service.

(ii) All workmen/employees shall produce satisfactory evidence of date of birth. If no correct date of birth is available the decision of the employer in consultation with the Company's Medical Officer regarding age of any workman/employee is binding and final.

XVI. *Death Relief Fund*

It is agreed that a Death Relief Fund will be constituted and implemented with mutual contributions.

XVII. Both the parties appreciate that this Settlement has been arrived at with a view to ensuring industrial peace and

maintaining discipline and greater efficiency. Therefore, the workers agree not to resort to indiscipline, slowing down of production for any reason whatsoever and the Management, on their part agree not to curtail the existing benefits and previleges except in accordance with the Law.

XVIII. *Period of Validity*

This agreement will be in force from 1st December 1970 to 30th November 1972.

XIX. *Other Demands*

All other demands of the Union excepting those that have been specifically conceded and agreed upon by the Management shall be deemed to have been withdrawn and it is mutually agreed that the demands so withdrawn shall not be brought forth for discussion at any time during the currency of this agreement.

XX. *Bar of any other Demands*

The Union agree that during currency of this agreement neither the Association nor any employee whether individually or collectively shall raise any demand which involves the Company to any Additional burden financial or otherwise.

Representing Employees—

1. (Sd.) Allampalli Venkataram.
2. (Sd.) K. Govindappa.
3. (Sd.) Puttaswamy.

Representing Employer—

1. (Sd.) P. V. V. Krishnan.
2. (Sd.) K. R. Sreenivasan.
3. (Sd.) E. M. Raju.

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Personnel Officer,
The M.I.T.L. Ltd., Bangalore-3.